

In the matter of:)
)
Zurich American Insurance Company))
1400 American Lane)
Schaumburg, IL 60196-1056)
)

Consent Order Imposing Administrative Penalty

After a thorough review of the matter, and after carefully considering the recommendation of the parties, and pursuant to my findings of fact and conclusions of law, although I can now revoke Zurich American's certificate of authority, I hereby impose an administrative penalty in the amount of \$1,000 against the insurer pursuant to the authority provided to me by the State of South Carolina General Assembly in S.C. Code Ann. §§ 38-5-130 and 38-2-10 (Supp. 2003). The administrative penalty must be paid within ten days of my date and my signature upon this consent order. If this amount is not paid on, or before, that date, then Zurich American's certificate of authority to transact business as an insurer within the State of South Carolina will be summarily revoked without any further administrative disciplinary proceedings.

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This administrative penalty has been reached by the parties as a result of Zurich American's full payment of the Workers Compensation Commission judgment and of the insurer's assurance that in the future it will timely pay final judgments rendered against it in South Carolina. This penalty includes all expenses related to investigation of this matter as provided in Section 38-13-70 of the South Carolina Code. The parties expressly agree and understand Zurich American's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter.

By the signature of one of its officers or authorized representatives upon this consent order, Zurich American acknowledges that it understands that this order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2003).

Nothing contained within this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 2003), of the Director of Insurance, exercised either directly or through the Department, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that Zurich American Insurance Company shall, within ten days of my date and my signature upon this consent order, pay through the Department an administrative penalty in the total amount of \$1,000. It is hereby acknowledged that the Department has received payment of said \$1000 from Zurich American.

It is further ordered that a copy of this consent order shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective on the date of my signature below.

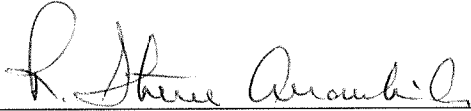

Gwendolyn Fuller McGriff
Deputy Director

Nov 17, 2004, at
Columbia, South Carolina



Zurich American Insurance Company

I CONSENT:



Signature of Authorized Representative

R Steve Arrambide

Name

Vice President

~~Director of Administration/Cust. Serv.~~

Title

Zurich American Insurance Company
1400 American Lane
Schaumburg, IL 60196-1056

Dated this 16 day of November, 2004